

PROOF

STATE OF IOWA

Senate Journal

TUESDAY, JANUARY 14, 2003

Printed daily by the State of Iowa during the sessions of the General Assembly. An official corrected copy is available for reference in the Secretary of the Senate's Office. (The official bound copy will be available after a reasonable time upon adjournment.)

JOURNAL OF THE SENATE

SECOND CALENDAR DAY
SECOND SESSION DAY

Senate Chamber
Des Moines, Iowa, Tuesday, January 14, 2003

The Senate met in regular session at 8:37 a.m., President Kramer presiding.

Prayer was offered by Pastor Paul Thompson of the First and Vernon Lutheran Churches in Dows, Iowa. He was the guest of Senator Iverson.

OATH OF OFFICE

The report of the committee on credentials having been previously adopted, Senator-elect Larson appeared before the bar of the Senate, was duly sworn, and subscribed his name to the oath of office.

The Journal of Monday, January 13, 2003, was approved.

The Senate stood at ease at 8:43 a.m. until the fall of the gavel.

The Senate resumed session at 9:38 a.m., President Kramer presiding.

CONSIDERATION OF RESOLUTION (Regular Calendar)

Senator Iverson asked and received unanimous consent to take up for consideration [Senate Resolution 1](#).

[Senate Resolution 1](#)

On motion of Senator Iverson, [Senate Resolution 1](#), a resolution relating to permanent rules of the Senate for the Eightieth General Assembly, was taken up for consideration.

Senator Gronstal asked and received unanimous consent that action on [Senate Resolution 1](#) be deferred.

COMMITTEE FROM THE HOUSE

A committee from the House appeared and announced that the House was ready to receive the Senate in joint convention.

In accordance with [House Concurrent Resolution 1](#), duly adopted, the Senate proceeded to the House chamber under the direction of the Secretary of the Senate and the Sergeant-at-Arms.

JOINT CONVENTION

The joint convention convened at 10:02 a.m., President Kramer presiding.

Senator Iverson moved that the roll call be dispensed with and that the President of the joint convention be authorized to declare a quorum present, which motion prevailed by a voice vote.

President Kramer declared a quorum present and the joint convention duly organized.

Senator Iverson moved that a committee of six, three members from the Senate and three members from the House, be appointed to notify Governor Thomas J. Vilsack that the joint convention was ready to receive him.

The motion prevailed by a voice vote and the Chair announced the appointment of Senators Gaskill, Putney, and Holveck on the part of the Senate, and Representatives Jenkins, Lukan, and Oldson on the part of the House.

Secretary of State Chet Culver, Secretary of Agriculture Patty Judge, Auditor of State David A. Vaudt, and Attorney General Tom Miller were escorted into the House chamber.

Chief Justice Lavorato and the Justices of the Supreme Court and Chief Judge Sackett and the Judges of the Court of Appeals were escorted into the House chamber.

Lieutenant Governor Sally J. Pederson was escorted into the House chamber.

Mrs. Christie Vilsack, wife of the Governor, was escorted into the House chamber.

The committee waited upon Governor Thomas J. Vilsack and escorted him to the Speaker's station.

President Kramer presented Governor Thomas J. Vilsack, who delivered the following Condition of the State Address:

Thank you, Madam President. Thank you, Mr. Speaker, members of the General Assembly and our Supreme Court, distinguished guests, and my fellow Iowans.

We are blessed, in troubled times and in a troubled world, to live in a special place. A special place of shared values—a place where we celebrate family and community, where we cherish learning and good health, value hard work and self-reliance, and love our land, our air and our water. To remain that special place, we must nurture hope and opportunity. For if we remain content with the Iowa of today, we will surely compromise the Iowa of tomorrow.

With our strong values, no Iowan should be satisfied if bright Iowans leave believing there is no meaningful opportunity here, if Iowans can't find or afford healthcare services, or if Iowans are prevented from enjoying the outdoors because our rivers and streams are polluted. Sadly, this is happening in our state today.

But my fellow Iowans, we should and we must do better. Iowans must respond to the challenge by embracing and directing change. I am confident we are up to the challenge, but state government should not approach this challenge alone.

The primary responsibility for effecting change will rightfully be with the private and nonprofit sectors. State government's role is to act as a catalyst for change and remove barriers to progress. To fulfill that responsibility, we must act now and we must act boldly.

The state budget complicates our task. The work begun two years ago to align revenues with expenditures must continue. Our law requires a balanced budget and we will have a balanced budget. But while complicated, the task is not impossible.

I want to acknowledge the hard work of the previous legislature. Tough unpopular choices had to be made, but those choices create options today that most states do not enjoy. Few states enjoyed surpluses last year or will this year. Fewer still were able to reduce the size of government while increasing the commitment to K-12, expanding access to healthcare for children and seniors, and starting a new venture capital fund. These achievements, and many others, share more than being accomplished during tough times; they also share, more importantly, having been accomplished in a bipartisan effort.

Let me identify the four cornerstones to future progress that will preserve, nurture, and expand hope and opportunity: a transformed Iowa economy, continuous improvement to education, expanded access to healthcare services and other community services, and renewed commitment to our environment.

The economy of Iowa, grounded in the production of ever-increasing volumes of low-priced ag commodities and the creation of well-intended but still lower-paying manufacturing and service sector jobs, no longer adequately supports our values; nor will it expand hope and opportunity for the future.

For the benefit of ourselves and future generations of Iowans, we must transform our economy to one rooted in the development and growth of high-priced, value-added ag ingredients to be used to feed, fuel, and heal, and in the creation of wealth through high-paying jobs held by a highly educated Iowa work force.

This new Iowa economy will preserve and enhance our values, better support our families and communities, and allow for continued investment in quality of life.

In the Iowa economy of today, less than 30 percent of our work force has any college experience. Iowans who learn more, earn more. Our goal in the Iowa economy of tomorrow—a high tech, bio-based economy—should be to double the number of employed Iowans with college experience. Immediate progress toward this goal should be the standard by which our work here is judged.

Now, to reach that ambitious goal requires a new, focused effort on economic development—one that is key to life sciences, value-added agriculture, advanced manufacturing, insurance, and other information solutions. Vision Iowa, and its success, taught us the power of state resources leveraging private and more public investment. We must apply that important lesson to economic development.

A companion fund, the Iowa Values Fund, should be created and dedicated to partnering with private investment to transform our economy. Administered and managed as a public/private partnership, the fund's investments should promote regional economic development so no part of Iowa is left behind. The fund should work more closely with the Regents universities, community colleges, and independent colleges to double the number of college experienced workers in the work force. Over the next five years, we should commit \$500 million to this fund. It is that important.

The initial investment from the Iowa Values Fund should be dedicated to making Iowa the life sciences leader in protein development and production. Developing the necessary life sciences infrastructure with an appropriate regulatory structure should be a top economic development priority of the state, allowing us to reach a goal of starting 100 new life sciences companies in Iowa in the next five years.

Initial resources from the fund should also spur the development of more renewable fuel and energy of all kinds. The benefits to our economy and our environment from ethanol and biodiesel fuel are well known. Similar benefits will operate from an expansion of renewable energy production. Today, Iowa annually produces 200 megawatts of electricity from renewable energy sources—wind, solar, and biomass. By the end of the decade, our goal should be to annually produce a minimum of 1,000 megawatts committed to the goal of making Iowa a net exporter of energy.

Barriers to a new Iowa economy must also be removed. Regulatory approval for new business and expansion needs to be timely, for progress delayed is progress denied. A complex income tax system with loopholes places Iowa in a noncompetitive position. Simplifying the system and closing loopholes will remove a barrier to progress. No Iowan—no Iowan should have to use a form larger than a postcard to report state income and pay state taxes.

At the same time, the property tax system pays for services not related to property ownership; extends credits, exemptions, and benefits in a haphazard fashion; encourages inefficiencies in government; and discriminates among and between classes of property owners. Members of the General Assembly, the time has come. Sunset the system that doesn't work, and replace it with one that does. Remove the barrier.

Now, as our investments result in a new economy, our values demand that we not forget those struggling in the old economy. Today in our state, there are over 100,000 Iowans working at or near a minimum wage. Many support families. Most qualify for public assistance. All work hard. Let us honor their work, and all work, by raising the minimum wage.

Each generation of Iowans carries a special responsibility to support the education of all of our children. The members of the last legislature understood that value in supporting change and continued investment in Iowa's schools even in the face of tough economic times. Their commitment to lower class sizes, reading initiatives, and improving teacher quality is already paying positive results in improved test scores and better professional development.

We cannot and should not abandon those efforts—but more is needed to keep faith with our values and maximize hope and opportunity.

A transformed Iowa economy requires continuous improvement in education.

If we are to double the number of college experienced workers in the work force, more children will have to attend college. To achieve success in school, children must be ready to learn before they enter school. Bold goals precede and encourage bold action. Let us work together to challenge ourselves to create an Iowa where virtually all (over 90 percent) of our children have access to quality preschool and where virtually all (at least 90 percent) of our children complete their formal education with at least two years college experience.

I need not remind the General Assembly that achievement gaps and dropouts carry a heavy price for failure. Just a generation ago, the thought of all-day kindergarten for all of our children seemed an impossible dream. Today, over 90 percent of our children have access to all-day kindergarten. Our 90/90 goal embodies our values. This is a goal that can be reached. The goal must be reached. The goal will be reached.

The creation of the Iowa Learns Council with representatives from all levels of education and statewide leaders will help to develop strategies and policy recommendations for accomplishing the 90/90 goal.

The goal needs resources. As investments from the Iowa Values Fund are made and opportunities are expanded and benefits are realized, a portion of new revenues generated from these investments should be dedicated to achieving the 90/90 goal. In

the meantime, college tuitions continue to go up and some students may be discouraged from attending. That is why this legislature should restore funding to the important work-study program to empower students to earn their way through college.

Barriers to reaching our 90/90 goal must also be removed. Today, a disparity exists in educational opportunity in our state.

Very small school districts with high schools of less than 100 students find it increasingly difficult to provide the range of opportunities necessary for success. Now, this barrier can be removed through collaboration or consolidation. The creation of a Virtual Academy allowing access to students to online courses and Regional Academies enabling schools to combine their course opportunities will help reduce the disparity. For those districts where consolidation provides the only answer, we should provide financial incentives to encourage school consolidation.

Now some believe that a financial disparity in education exists. For more than a generation, based on a study of school finances, Iowans operated under the belief that the school funding formula promoted equity. Much has changed since that study—and the times call for a new study of school finances. If inequities exist, they must be addressed. Our values require it. Hope and opportunity will depend on it.

Iowans have a right to expect quality healthcare. We've worked hard to extend that right to all of our children. Today, we protect almost 95 percent of our youngsters by providing access to healthcare through Medicaid, HAWK-I, our children's health insurance program, or other private insurance. We take pride in knowing almost 90 percent of adults are also covered.

However, access to quality healthcare, even in Iowa, remains threatened. An unfair Medicare reimbursement system, rising costs of prescription drugs, and the exploding costs of Medicaid all will test our commitment to the value of quality healthcare.

Let me be clear. We will fight whenever, wherever, and for as long as it takes for a fair Medicare reimbursement system in this state.

We will negotiate whenever, wherever, and for as long as it takes until Iowa seniors have fair drug prices.

We will negotiate whenever, wherever, and for as long as it takes for strategies to control Medicaid costs without limiting access to quality healthcare. I want to thank Senator Kramer, in particular, for her efforts in these areas and pledge to work with the President of the Senate and the General Assembly to maintain quality healthcare.

To remain true to our values and to extend hope and opportunity to all, we must protect those vulnerable Iowans who cannot protect themselves. Thousands suffering from mental illness—vulnerable Iowans—do not have access to the treatment they need. The fact is that one out of every four Iowa families has family members touched by mental illness. Barriers exist to the quality care they need.

Let us stop the needless suffering. Iowa should lead the nation with the highest percentage of residents with mental health and substance abuse coverage. Let us make the enactment of mental health parity a landmark for which this General Assembly will be remembered and celebrated for years to come.

But people with mental illness, mental retardation, or other disabilities need more than access to quality medical care, they need access to basic community resources that most of us take for granted—like housing, transportation and job opportunities—so they, too, can participate in the American dream.

This goal has been a personal passion for Lt. Governor Sally Pederson. That is why I have asked her to lead the effort to transform our system of services to respond more effectively to the needs of those with disabilities.

Changes in the system will be directed by a commission of stakeholders created through bipartisan legislation passed last year. The Lt. Governor will continue to work with the commission and Republican and Democratic legislators to create a system that supports self-determination, self-sufficiency, and independence.

It is our goal over the next four years to substantially increase residential housing and workplace opportunities through public/private partnerships and leveraging funds in new and innovative ways. I promise you this—we will make the largest investment in housing for people with disabilities in Iowa history.

And we will ask you to give the Department of Inspections and Appeals the authority to regulate adult day care facilities for dependent adults and seniors, so that families can feel secure about the quality of care their loved one is receiving.

In a special land where stewardship is a value and virtue, knowing that we have over 150 rivers and streams, a number likely to grow, impaired by pollution should be a call to action to all of us. A new Iowa economy should support resources necessary to clean up our rivers and streams. By 2010, there should be no—I repeat no impaired waters list in Iowa. By that year, Iowans should be free to swim, fish, or use this great natural resource as God intended.

Now to those who doubt such a goal is obtainable, I ask you to stand aside. Iowans working together to achieve a common goal will succeed, but to succeed there must be consensus. One hundred years ago, Theodore Roosevelt brought interested parties together in a summit dedicated to conservation. The time is right for a statewide summit on water quality to eliminate the impaired waters list. So today I ask the Department of Natural Resources, the Iowa Farm Bureau, the Association of Business and Industry, the Iowa Environmental Council, and other groups each to designate a representative to work with me and representatives of the General Assembly, cities, and counties to plan and hold such a summit to develop a conservation plan to restore our waters.

Earlier I mentioned the role of the nonprofit sector to effect change. The vital role of nonprofit organizations in our state must be clearly understood and actively supported. Nonprofit organizations are often small and may need technical assistance and help. All of us need to help them. I asked Willard “Sandy” Boyd, President Emeritus of the University of Iowa, Director of the Iowa Nonprofit Resource Center, and a great Iowan, to chair a task force to be appointed for this purpose, to lay out strategies how we can strengthen nonprofits in our state.

My time with you is limited, so I cannot share thoughts about other important aspects of Iowa life, from public safety to support for arts and culture. Please know these are important in our effort to help build a better Iowa.

All will be needed in this effort.

Great values, great needs, great goals mandate from all of us, inside and outside state government, great action. Many may question if it all can be done.

Theodore Roosevelt said it so well so long ago. "It is not the critic who counts; not the person who points out how strong persons stumbled or where the doer of deeds could have done them better. The credit belongs to the person who is actually in the arena, whose face is marred by dust, and sweat, and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends a life in a worthy cause, who at the best, knows in the end the triumph of high achievement and who at the worst, if he or she fails, at least fails while daring greatly, so that their place shall never be with those cold and timid souls who knew neither victory nor defeat."

Ladies and gentlemen of the General Assembly, let that be said of this generation of Iowans who risked embracing change, fought to preserve our values, and nurtured hope and opportunity for all.

God bless you. God bless our great State of Iowa, and the United States of America.

Governor Thomas J. Vilsack was escorted from the House chamber by the committee previously appointed.

Representative Gipp moved that the joint convention be dissolved, which motion prevailed by a voice vote.

The Senate returned to the Senate chamber.

ADJOURNMENT

On motion of Senator Iverson, the Senate adjourned at 10:42 a.m. until 8:30 a.m. Wednesday, January 15, 2003.

APPENDIX**COMMUNICATIONS RECEIVED**

The following communications were received in the office of the Secretary of the Senate and placed on file in the Legislative Service Bureau:

January 8, 2003

DEPARTMENT OF TRANSPORTATION

Annual Report of the Highway Division — notification that the report in electronic form is available online.

January 13, 2003

DEPARTMENT OF CORRECTIONS

2002 Vocational Program Update — notification that the report in electronic form is available online.

DEPARTMENT OF GENERAL SERVICES

2002 Legislative Fleet Study, pursuant to Iowa Code section 18.114.

January 14, 2003

DEPARTMENT OF ECONOMIC DEVELOPMENT

2002 CEBA Self-Sustaining Report — notification that the report in electronic form is available online.

DEPARTMENT OF PUBLIC HEALTH

Anatomical Gifts Annual Donation and Compliance Report — notification that the report in electronic form is available online.

Access to Obstetrical Care in Iowa — notification that the report in electronic form is available online.

IOWA COMMISSION ON THE STATUS OF WOMEN

2003 Proposals to the Governor and the Eightieth General Assembly.

UNIVERSITY OF IOWA HOSPITALS AND CLINICS

An Overview of the Use of Home Telemedicine in the University of Iowa Hospital and Clinics' Indigent Patient Care Program — notification that the report in electronic form is available online.

REPORTS OF COMMITTEE MEETINGS

COMMERCE

Convened: January 14, 2003, 3:05 p.m.

Members Present: Angelo, Chair; Wieck, Vice Chair; Warnstadt, Ranking Member; Beall, Behn, Bolkcom, Brunkhorst, Gronstal, Redfern, Sievers, and Stewart.

Members Absent: Larson, McCoy, and Schuerer (all excused).

Committee Business: Organizational meeting.

Adjourned: 3:10 p.m.

ECONOMIC GROWTH

Convened: January 14, 2003, 1:00 p.m.

Members Present: Rehberg, Chair; Shull, Vice Chair; Hatch, Ranking Member; Beall, Boettger, Dotzler, McKinley, Putney, Ragan, Seymour, Stewart, and Veenstra.

Members Absent: Larson (excused).

Committee Business: Introductions and organizational meeting.

Adjourned: 1:20 p.m.

HUMAN RESOURCES

Convened: January 14, 2003, 2:10 p.m.

Members Present: Veenstra, Chair; Seymour, Vice Chair; Ragan, Ranking Member; Behn, Boettger, Hatch, Horn, Hosch, Kreiman, Schuerer, and Tinsman.

Members Absent: Holveck and McKinley (both excused).

Committee Business: Introductions and organizational meeting.

Adjourned: 2:35 p.m.

JUDICIARY

Convened: January 14, 2003, 4:00 p.m.

Members Present: Redfern, Chair; Kreiman, Ranking Member; Boettger, Fraise, Horn, Lamberti, Miller, Putney, Quirnbach, and Tinsman.

Members Absent: Larson, Vice Chair; Holveck, McCoy, and McKibben (all excused).

Committee Business: Organizational meeting.

Adjourned: 4:20 p.m.

NATURAL RESOURCES AND ENVIRONMENT

Convened: January 14, 2003, 1:05 p.m.

Members Present: Houser, Chair; Johnson, Vice Chair; Seng, Ranking Member; Bolkcom, Brunkhorst, Dearden, Drake, Kibbie, Lundby, Miller, Wieck, and Ziemann.

Members Absent: Black and Holveck (both excused).

Committee Business: Organizational meeting.

Adjourned: 1:30 p.m.

TRANSPORTATION

Convened: January 14, 2003, 2:05 p.m.

Members Present: Drake, Chair; Putney, Vice Chair; Beall, Dearden, Fraise, Houser, Johnson, Shull, Warnstadt, and Ziemann.

Members Absent: McCoy, Ranking Member; and Rehberg (both excused).

Committee Business: Organizational meeting.

Adjourned: 2:25 p.m.

INTRODUCTION OF BILLS

Senate File 8, by Johnson, a bill for an act relating to nongovernmental internet advertising by governmental entities.

Read first time under Rule 28 and referred to committee on **State Government**.

Senate File 9, by Bolkcom, a bill for an act requiring Iowa national pollutant discharge elimination system program permit holders to post signs at discharge points and providing a penalty.

Read first time under Rule 28 and referred to committee on **Natural Resources and Environment**.

Senate File 10, by Bolkcom, a bill for an act requiring the department of education to study the sale of carbonated beverages in schools.

Read first time under Rule 28 and referred to committee on **Education**.

[Senate File 11](#), by Bolkcom, a bill for an act relating to health care delivery, including staffing requirements, and providing remedies and penalties.

Read first time under Rule 28 and referred to committee on **Human Resources**.

[Senate File 12](#), by Bolkcom, a bill for an act relating to ongoing absentee voter status for general elections.

Read first time under Rule 28 and referred to committee on **State Government**.

[Senate File 13](#), by Sievers, a bill for an act relating to supplemental appropriations to reimburse counties for certain property tax credits and exemptions allowed and including an effective date.

Read first time under Rule 28 and referred to committee on **Appropriations**.

[Senate File 14](#), by Sievers, a bill for an act relating to the installation of certain aboveground petroleum storage tanks.

Read first time under Rule 28 and referred to committee on **State Government**.

[Senate File 15](#), by Kreiman, a bill for an act creating a criminal offense for promoting a sexual content telephone card to a minor, and providing a penalty.

Read first time under Rule 28 and referred to committee on **Judiciary**.

[Senate File 16](#), by Bolkcom, a bill for an act exempting from sales and use taxes the purchase of trees and other planting materials by a nonprofit entity for contribution to various governmental entities.

Read first time under Rule 28 and referred to committee on **Ways and Means**.

[Senate File 17](#), by Bolkcom, a bill for an act exempting from sales and use taxes multifuel pellet stoves.

Read first time under Rule 28 and referred to committee on **Ways and Means**.

SUBCOMMITTEE ASSIGNMENTS

[Senate File 2](#)

LOCAL GOVERNMENT: Angelo, Chair; Houser and Kreiman

[Senate File 7](#)

LOCAL GOVERNMENT: Miller, Chair; Seymour and Stewart